

month after the original bill day, BST may provide written notice to BSLD that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. In addition BST may, at the same time, give thirty days notice to the person designated by BSLD to receive notices of noncompliance, discontinue the provision of existing services to BSLD at any time thereafter.

3. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due.

4. If BST does not discontinue the provision of services involved on the date specified in the thirty days notice and BSLD's noncompliance continues, nothing contained herein shall preclude BST's right to discontinue the provision of the services to BSLD without further notice.

5. If payment is not received or arrangements made for payment by the date given in the written notification, BSLD's service will be discontinued. Upon discontinuance of service on BSLD's account, IntraLATA Toll service to BSLD's end users will be denied. BST will also reestablish service at the request of the end user or BSLD's upon payment of the appropriate connection fee and subject to BST's normal application procedures. BSLD is solely responsible for notifying the end user of the proposed disconnection of the service.

6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

IX. Liability

A. The liability of BST for damages arising out of mistakes, omissions, interruptions, pre-emption's, delays errors or defects in transmission, or failures or defects in facilities furnished by BST, occurring in the course of furnishing service or other facilities and not caused by the negligence of BSLD, or of BST in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to BSLD for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. BST shall not be liable for damage arising out of mistakes, omission, interruptions, preemption's, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of BST, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a BST-provided connecting arrangement, in which event the liability of BST shall not exceed an amount equal to a proportional amount of BST billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had BST-provided equipment been used.

B. BST shall be indemnified and saved harmless by BSLD against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorneys' fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of BST's furnishing of service to

BSLD.

C. BST shall be indemnified, defended and held harmless by BSLD and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:

1. Claims for libel, slander, invasion of privacy or infringement of copyright arising from BSLD's or end user's own communications.
2. Claims for patent infringement arising from acts combining or using BST services in connection with facilities or equipment furnished by the end user or BSLD.
3. All other claims arising out of an act or omission of BSLD or its end user in the course of using services.

D. BSLD accepts responsibility for providing access for maintenance purposes of any service resold under the provisions of this Tariff. BST shall not be responsible for any failure on the part of BSLD with respect to any end user of BSLD.

X. Treatment of Proprietary and Confidential Information

A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall either be in writing or other tangible format and clearly marked with a confidential, private or proprietary legend, or, when the Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both parties agree that the Information shall not be copied or reproduced in any form. Both parties agree to receive such Information and not disclose such Information. Both parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.

B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

XI. Resolution of Disputes

Except as otherwise stated in this Agreement, the parties agree that if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the parties will petition the applicable state Public Service Commission for a resolution of the dispute. However, each party reserves any rights it may have to seek judicial review of any ruling made by that Public Service Commission concerning this Agreement.

XII. Limitation of Use

The parties agree that this Agreement shall not be proffered by either party in another jurisdiction as evidence of any concession or as a waiver of any position taken by the other party in that jurisdiction or for any other purpose.

XIII. Waivers

Any failure by either party to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions of this Agreement, and each party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

XIV. Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Georgia, without regard to its conflict of laws principles.

XV. Arm's Length Negotiations

This Agreement was executed after arm's length negotiations between the undersigned parties and reflects the conclusion of the undersigned that this Agreement is in the best interests of all parties.

XVI. Notices

A. Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered in person or given by postage prepaid mail, address to:

BST Telecommunications, BSLD
Inc.

or at such other address as the intended recipient previously shall have designated by written notice to the other party.

B. Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

XVII. Amendments

This Agreement may be amended at any time upon written agreement of both parties.

XVIII. Entire Agreement

This Agreement sets forth the entire understanding and supersedes prior agreements between the parties relating to the subject matter

contained herein and merges all prior discussions between them, and neither party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the party to be bound thereby.

**BST
TELECOMMUNICATIONS,
INC.**

BY: _____
(Signature)

NAME: _____
(Printed Name)

TITLE: _____

BSLD

BY: _____
(Signature)

NAME: _____
(Printed Name)

TITLE: _____

EXHIBIT A

APPLICABLE DISCOUNTS

The telecommunications services available for purchase by BSLD for the purposes of resale to BSLD end users shall be available at the following discount off of the retail rate.

STATE	RESIDENCE	DISCOUNT	BUSINESS
ALABAMA	16.3%		16.3%
FLORIDA	21.83%		16.81%
GEORGIA	20.3%		17.3%
KENTUCKY	16.79%		15.54%
LOUISIANA*	20.72%		20.72%
MISSISSIPPI	15.75%		15.75%
NORTH	21.5%		17.6%
CAROLINA	14.7%		14.8%
SOUTH	16%		16%
CAROLINA			
TENNESSEE**			

* In the case of a cross boundary situation, the discount which applies is the discount applicable to the location of the end user's central office.

** In Tennessee, If BSLD provides its own operator services and directory services, the discount shall be 21.56%. BSLD must provide written notification to BellSouth within 30 days prior to providing its own operator services and directory services to qualify for the higher discount of 21.56%..

OPERATIONAL SUPPORT SYSTEMS (OSS) RATES

Interactive Ordering and Trouble Maintenance System			OSS Order Charge	
	Non-Recurring Establishment Charge	Recurring Charge, per month	Charge per order (unlimited end user accounts)	Surcharge for manually placed orders, per end user account
ALABAMA	\$100	\$50	\$10.80	\$22.00
FLORIDA	\$100	\$50	\$10.80	\$22.00

GEORGIA	\$100	\$50	\$10.80	\$22.00
KENTUCKY	\$100	\$50	\$10.80	\$22.00
LOUISIANA	\$100	\$50	\$9.16	\$18.14
MISSISSIPPI	\$100	\$50	\$10.80	\$22.00
NORTH CAROLINA	\$100	\$50	\$10.80	\$22.00
SOUTH CAROLINA	\$100	\$50	\$10.80	\$22.00
TENNESSEE	\$100	\$50	\$10.80	\$22.00

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Transactions

CONTRACT PROVISION FOR BSLD DAILY USAGE FILE**SECTION 1. SCOPE OF AGREEMENT**

1.01 This agreement shall apply to the service of the Daily Usage File (DUF) as provided by BellSouth Telecommunications, Inc. (BST) to BellSouth Long Distance, Inc. (BSLD). The specifications, terms and conditions for the provisions of this service are outlined in the Exhibit to this Agreement.

SECTION 2. DEFINITIONS

2.01 A. Compensation is the amount of money due from BSLD to BST for services provided under this Agreement.

B. Daily Usage File is the compilation of messages or copies of messages in standard Exchange Message Record (EMR) format exchanged from BST to BSLD.

C. Exchange Message Record is the nationally administered standard format for the exchange of data within the telecommunications industry.

D. Message Distribution is routing determination and subsequent delivery of message data from one company to another.

SECTION 3. RESPONSIBILITIES OF THE PARTIES

3.01 Daily Usage File service provided to BSLD by BST will be in accordance with the methods and practices regularly adopted and applied by BST to its own operations during the term of this agreement, including such revisions as may be made from time to time by BST.

3.02 BSLD shall furnish all relevant information required by BST for the provision of the Daily Usage File.

SECTION 4. COMPENSATION ARRANGEMENTS

4.01 Applicable compensation amounts will be billed by BST to BSLD on a monthly basis in arrears. Amounts due from BSLD to BST (excluding adjustments) are payable within 30 days of the date of the billing statement.

SECTION 5. ASSOCIATED EXHIBIT

5.01 Listed below is the exhibit associated with this Agreement, incorporated herein by this reference.

Exhibit A Daily Usage File (DUF)

Transactions Between
BellSouth
Telecommunications,
Inc. and BellSouth Long
Distance Inc.

Filings and Positions

5.02 From time to time by written agreement of the parties, new exhibits may be substituted for the attached Exhibit, superseding and canceling the Exhibit(s) then in effect.

SECTION 6. TERM OF AGREEMENT

6.01 This Agreement and its attachment(s) are effective _____ and will continue in force until terminated, with or without cause, by thirty (30) days prior notice in writing from either party to the other. This Agreement may be amended from time to time upon written agreement of the parties.

Executed this _____ day of _____, 1997.

WITNESS:

**BELLSOUTH LONG
DISTANCE, INC.**

(title)

WITNESS:

**BELLSOUTH
TELECOMMUNICATIONS,
INC.**

(title)

EXHIBIT A

SECTION 1. SCOPE OF EXHIBIT

1.01 This exhibit provides the technical specifications, terms and conditions, including compensation, under which BST shall provide the message distribution service via the Daily Usage File.

**BELLSOUTH TELECOMMUNICATIONS, INC.
DAILY USAGE FEED (DUF) SPECIFICATIONS
ISSUE 1.0**

General

A Daily Usage File (hereafter referred to as "DUF") is available. DUF will contain billable messages, that were carried over the BST Network and processed in the CRIS Billing System, but billing to a BSLD customer. DUF also includes operator handled calls originating from BSLD subscriber lines, for BSLD if it purchases Operator Services from BST.

DUF is available to BSLD in connection with resale of BST IntraLATA Toll. DUF is available for both Facilities-based OLECs and Resellers. The service is provided under contract with the following rates applicable:

\$0.008 per message - Recording Service (only applied to unbundled operator services messages)
\$0.004 per message - Message Distribution
\$0.001 per message - Data Transmission

Charges for delivery of the usage data will appear as an OC&C item on the BSLD monthly bills.

DUF will contain rated messages. All messages will be in the standard Belcore EMR record format.

Messages that error in the BSLD system will be the responsibility

of BSLD. If, however, BSLD should encounter significant volumes of errored messages that prevent processing by BSLD within its systems, BST will work with BSLD to determine the source of the errors and the appropriate resolution.

NOTE: It may be determined that the source is outside of BST's control and the appropriate resolution does not involve BST.

The purpose of this document is to provide basic file specifications and general information to BSLD

File Specifications

Usage To Be Transmitted

The following messages recorded by BST will be transmitted to BSLD:

- message recording for per use/per activation type services (examples: Three Way Calling, Verify, Interrupt, Call Return, ETC.)

BST will deliver all IntraLATA toll messages minus Extended Local Calling Plans to which the end user subscribes, originating from BSLD LPIC'd lines.

BST will furnish BSLD a list of EMR records that are valid for inclusion in the DUF file.

BST will notify BSLD at least ninety (90) days in advance of any changes to the EMR records.

By the end of the third quarter of 1997, for those messages where the information is available and applicable, BST will include the OCN of the CLEC that provides local exchange services for the charged number.

Duplicate Record Checking

BST will perform duplicate record checks on records processed to DUF. Any duplicate messages detected will be deleted and not sent to BSLD.

In the event that BSLD detects a duplicate on DUF they receive from BST, BSLD will drop the duplicate message (BSLD will not return the duplicate to BST).

Physical File Characteristics

General
DUF will be distributed to BSLD via a contractually agreed medium with CONNECT:Direct being the preferred transport method. If methods other than CONNECT:Direct are negotiated there may be nominal additional charges to cover costs associated with the delivery method (e.g. postage, handling, tape, etc.). DUF will be a variable block format (2476) with an LRECL of 2472. The data on DUF will be in a non-compacted EMR format (175 byte format plus modules). It will be created on a daily basis (Monday through Friday except holidays). Details such as dataset name and delivery schedule will be addressed during negotiations of the distribution medium. BST will create a single consolidated file containing usage from all applicable RAO's, with messages packed separately by RAO. DUF will contain packed data as detailed on the next page.

Data circuits (private line or dial-up) may be required between BST and BSLD for the purpose of data transmission. Where a dedicated line is required, BSLD will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BST. BSLD will also be responsible for any charges associated

with this line. Equipment required on the BST end to attach the line to the mainframe computer and to transmit successfully ongoing will be negotiated on a case by case basis. Where a dial-up facility is required, dial circuits will be installed in the BST data center by BST and the associated charges assessed to BSLD. Additionally, all message toll charges associated with the use of the dial circuit by BSLD will be the responsibility of BSLD. Associated equipment on the BST end, including a modem, will be negotiated on a case by case basis between the parties. All equipment, including modems and software, that is required on BSLD end for the purpose of data transmission will be the responsibility of BSLD.

Packing Specifications

A pack will contain a minimum of one message record or a maximum of 99,999 message records plus a pack header record and a pack trailer record. One transmission can contain a maximum of 99 packs and a minimum of one pack.

The OCN, From RAO, and Invoice Number will control the invoice sequencing. The From RAO will be used to identify to BSLD which BST RAO that is sending the message. BST and BSLD will use the invoice sequencing to control data exchange. BST will be notified of sequence failures identified by BSLD and resend the data as appropriate.

The data will be packed using a Bellcore EMR 202001 Pack Header and a 202002 Pack Trailer with the fields populated as follows:

Packet Header Record

Field Name	Position	Value
Record ID - Category	01-02	20
Record ID - Group	03-04	20
Record ID - Type	05-06	01
Date Created - Year	07-08	Current year or less
Date Created - Month	09-10	01-12
Date Created - Day	11-12	01-31
Invoice Number	13-14	01-99
Company Number	15-16	17 or 19
From RAO	17-19	BST RAO dataset created in
Filler	20-25	Spaces (data not applicable)
Reserved	26-39	Spaces (BellCore reserved space)
OCN	40-43	
Local Company Use	44-46	Spaces
Reserved	47-117	Spaces (BellCore reserved space)
Time Created-Hour	118-119	00-24
Time Created-Minutes	120-121	00-60
Filler	122	Spaces (Data not applicable)
Reserved	123-126	Spaces (BellCore reserved space)
Status Code	127	0
Reserved	128-175	Spaces (BellCore reserved space)

Packet Trailer Record

Field Name	Position	Value
Record ID - Category	01-02	20
Record ID - Group	03-04	20
Record ID - Type	05-06	02
Date Created - Year	07-08	Current year or less
Date Created - Month	09-10	01-12
Date Created - Day	11-12	01-31
Invoice Number	13-14	01-99
Company Number	15-16	17 or 19

From RAO	17-19	BST RAO dataset created in
Filler	20-23	Spaces (data not applicable)
Reserved	26-100	Spaces (BellCore reserved space)
Grand Total Revenue	101-110	9(8).99
Grand Total Record Count	111-117	numeric
Reserved	118-121	Spaces (BellCore reserved space)
Filler	122	Space (Data not applicable)
Reserved	123-126	Spaces (BellCore reserved space)
Status Code	127	0
Reserved	128-175	Spaces (BellCore reserved space)

Pack Rejection

BSLD will notify BST within one business day of rejected packs (via the mutually agreed medium). Packs could be rejected because of pack sequencing discrepancies or a critical edit failure on the Pack Header or Pack Trailer records (i.e. out-of-balance condition on grand totals, invalid data populated). Standard Bellcore EMR Error Codes will be used. BSLD will not be required to return the actual rejected data to BST. Rejected packs will be corrected and retransmitted to BSLD by BST. Best efforts to correct and retransmitt rejected packs will be made within one business day of notification whenever possible, and if problems prevent timely delivery BST will notify BSLD.

Control Data

BSLD will send one confirmation record per pack that is received from BST. This confirmation record will indicate BSLD received the pack and the acceptance or rejection of the pack. Error Code(s) will be populated in the Error Code fields (using standard Bellcore EMR error codes) for packs that were rejected by BSLD for reasons stated in the above section. See attachment A for the confirmation record layout.

Testing

BST will perform external testing with BSLD prior to entering a "production" mode. The number of tests, test dataset name, test data content, and test schedule will be mutually agreed upon by BST and BSLD during the detail negotiations process. Test data shall be transported using the same medium that will be used in a production mode (if possible).

DUF Confirmation Record (RIPC03)

Field Name	Field Position	Field Length
Category	01-02	x(2) RI
Group	03-04	x(2) PC
Record Type	05-06	x(2) 03
Date Created - Year	07-08	9(2)
Date Created - Month	09-10	9(2)
Date Created - Day	11-12	9(2)
Invoice Number	13-14	9(2)
Filler	15-16	9(2)
From RAO	17-19	9(3)

Send to RAO	20-22	9(3)
Billing RAO	23-25	9(3)
Operating Company Number	26-29	9(4)
Filler	30-65	9(36)
Total Sent Messages	66-72	9(7)
Total Sent Revenue	73-82	9(8).99
Number of Accepted Messages	83-89	9(7)
Amount of Accepted Revenue	90-99	9(8).99
Filler	100	9(1)
Number of Rejected Messages	101-107	9(7)
Amount of Rejected Revenue	108-117	9(8).99
Filler	118-137	9(20)
Pack Status Code	138-139	9(2)
Return Code 1	140-141	x(2)
Return Code 2	142-143	x(2)
Return Code 4	142-143	x(2)
Return Code 3	144-145	x(2)
Return Code 4	146-147	x(2)
Return Code 5	148-149	x(2)
Return Code 6	150-151	x(2)
Return Code 7	152-153	x(2)
Return Code 8	154-155	x(2)
Return Code 9	156-157	x(2)
Return Code 10	158-159	x(2)
Filler	160-175	x(16)

BST is pursuing approval of this record by BellCore as a Standard EMR record.

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Transactions

TRIAL MARKETING AND SALES AGREEMENT

1. PARTIES

The parties to this Trial Marketing and Sales Agreement ("Agreement") are BellSouth Telecommunications, Inc. ("BST"), a Georgia corporation, 675 West Peachtree Street, N.E., Atlanta, Georgia, 30375, and BellSouth Long Distance, Inc., ("BSLD"), a Delaware corporation, 32 Perimeter Center East, Atlanta, Georgia, 30346.

2. PURPOSE OF THE TRIAL AGREEMENT

The purpose of the Trial Agreement is to define the activities of the parties that will be taken in conjunction with the marketing and sales of certain Products and Services provided by the parties and, to define the Functions that BST will provide to BSLD (Schedule A), and to detail the Products and Services of BSLD that BST will market and sell for BSLD (Schedule B).

3. TERM OF THE TRIAL AGREEMENT

A. Trial Period Duration

The trial period shall commence on the first performance of service by BST and, unless terminated earlier as set forth herein, shall continue until December 31, 1998. It is mutually understood and agreed to by both parties that this Trial Agreement or, if applicable, the designated portions of such Agreement, is for the duration of the trial period stated herein, and represents no commitment on the part of either party to continue this relationship or continue or extend any of the terms of this Trial Agreement beyond the time period expressly set forth herein.

B. Trial Assessment

Due to uncertainties relating to certain technical and operational feasibility and other business factors, this Agreement is being entered into for a trial period only. At the end of the trial period, BST will evaluate the technical, operational, and other business considerations pertaining to this trial arrangement, in order to determine at that time whether and to what extent BST is willing to continue in any or all of the arrangements covered under the Trial Agreement.

4. FUNCTIONS

The functions that BST will perform for BSLD are detailed in Schedule A. The Products and Services of BSLD that will be sold pursuant to this Agreement are listed in Schedule B. Functions may be added to or deleted from Schedule A upon consent of both

Transactions Between
BellSouth
Telecommunications,
Inc. and BellSouth Long
Distance Inc.

Filings and Positions

parties. The Schedules may be amended from time to time by mutual agreement of the parties. Notwithstanding the above, BST shall in no way be expected or required to add functions or Products and Services to this Agreement unless BST makes an independent determination that such additions are acceptable to BST.

5. OBLIGATIONS OF THE PARTIES

5.1 Appointment of BST As Authorized Representative

BSLD hereby appoints BST as an authorized representative to promote the sale of and to solicit orders for the Products and Services.

5.2 BST Accepts Appointment

BST hereby accepts such appointment and agrees to exert reasonable efforts to promote, on BSLD's behalf, the marketing and sale of the Products and Services.

5.3 Obligations of BST

BST agrees that:

- (a) It will employ and train a sufficient sales force and staff to market and sell BSLD Products and Services and to provide adequate marketing coverage for prospective customers;
- (b) It will provide in accordance with Schedule A planning, promotional, sales and marketing services, including, where applicable, but not limited to: i) coordination of adequate initial and ongoing customer training on proper use of Products and Services; ii) Products and Services' consulting; iii) provision to customers of available information regarding technical, functional, and other Product and Service information; and iv) handling of requests from customers for new or changed Products and Services;
- (c) It will successfully complete any reasonable training or certification or program(s) outlined or required from time to time by BSLD. BSLD reserves the right to modify any such requirements from time to time, without prior notice to BST. However, if BST does not choose to continue the relationship as modified by BSLD, then BST may exercise its right to terminate the Agreement without recourse to BSLD.
- (d) It will accept customer requests for Products and Services and process such requests in accordance with Schedule A.
- (e) It will provide access to service representatives, in accordance with existing BST hours of operation, to provide the functions agreed upon herein.
- (f) It will share BSLD-specific customer information gathered as a result of its efforts, and as deemed necessary by both parties for their respective obligations under this Agreement.

5.4 Obligations of BSLD

BSLD agrees that:

- (a) it will provide training materials for BST personnel who will be trained on the sale of BSLD Products and Services;
- (b) it will make timely payment for BST sales and marketing

functions as provided in this Agreement;

(c) it will deliver "high" quality Products and Services to customers; and

(d) it will develop Products and Services and secure all necessary governmental approvals for their offering, including the filing of tariffs, if applicable.

6. COMMITMENTS

6.1 Exclusivity

For the term of this Agreement, BST agrees to market to its subscribed or prospective customers, the BSLD Products and Services subject to this Agreement to the exclusion of all other competing Products and Services that are provided by other non-affiliated providers in competition with the BSLD Products and Services in the geographic areas in which BST provides wireline services. During the term of this Agreement, BSLD agrees not to use any non-affiliated competitive local exchange company ("CLEC") in the geographic area in which BST provides wireline services to market or sell BSLD's Products and Services.

7. PAYMENT

7.1 Billing and Payment

(a) BST billing to BSLD shall be in compliance with all federal and state regulatory requirements governing such transactions and applicable from time to time. Payment of compensation under this Agreement is due, and BSLD's obligation to pay such compensation is enforceable, upon BST's presentation of a sufficiently detailed bill to BSLD. BST shall render a sufficiently detailed bill promptly after services are provided, but in no event later than the 16th workday following the end of the month for which billing is made. Payment shall be made by BSLD by electronic funds transfer or by such other payment as the parties may agree in writing. Payment shall be considered timely if made within one month after the date of the bill, unless BSLD provides to BST, within one month after the date of the bill in which the charge first appears, a written explanation of the basis for a Bill Dispute with respect to any such charges legitimately in dispute. In such case, payment shall be considered timely if made within the later of (1) two months after the date of the bill; (2) ten days after the receipt of the written explanation required by Section 7.2 (a) or (3) such later date as BST may specify in writing.

(b) If BSLD does not make timely payment of any nondisputed charge, BST may apply a late payment charge equal to 1.5% for each whole or partial month between the date on which payment would have been considered timely and the date on which payment is actually made to BST. Nothing in this subsection shall require BSLD to pay late charges on amounts subject to a legitimate bill dispute.

(c) If BSLD has paid any amount of a disputed charge and the dispute is resolved in whole or in part in favor of BSLD, BST shall reimburse the disputed amount so resolved plus interest at the same percentage rate specified in subsection (b) for the period beginning 30 days after BSLD payment and concluding on the date of reimbursement, if later than such 30-day period.

7.2 Bill Dispute

A Bill Dispute is a bona fide dispute of a bill charged that has been identified with specificity to BST in writing by BSLD. The parties will work together to develop a mutually agreeable process for the resolution of bill disputes. Such process shall include, at a minimum:

- (a) the requirement that BSLD provide a written explanation of the basis for a bill dispute, and requirement that BST promptly commence an investigation that will permit BST to provide a complete written response within thirty (30) days after the BSLD written explanation;
- (b) a process that identifies the disputed charges as correct or incorrect, and a means of appropriately adjusting, if necessary, the charges.

8. DEFAULT AND TERMINATION

8.1 BSLD Default

BST may declare BSLD to be in default if:

- (a) BSLD fails to make timely payment of any undisputed sum due BST and fails to cure such default within ten (10) days of certified mail notice to BSLD, either by paying the unpaid charges or by providing an irrevocable letter of credit of equal amount;
- (b) BSLD fails to perform or comply with or violates any material warranty, term, condition or obligation of this Agreement and fails to cure such failure or violation within sixty (60) days after BST provides notice declaring BSLD's failure or violation and referencing this provision;
- (c) any material representation, warranty, certification or statement made by BSLD in this Agreement proves to have been incorrect or misleading in any material respect when made, and BSLD fails to cure the resulting default within sixty (60) days after BST provides notice declaring BSLD to be in default under this provision;
- (d) Either (A) any license, permit, consent or approval of any governmental body, authority, agency, or instrumentality is revoked, withdrawn, withheld, materially modified or otherwise fails to remain in full force and effect, or (B) a foreign, federal, state or local statute, regulation or order is enacted, adopted or otherwise promulgated, with the result that BSLD is unable to perform its obligations under this Agreement and BSLD does not remedy or negate the effect of the revocation, withdrawal, modification, order, adoption or promulgation within sixty (60) days after BST provides notice declaring BSLD to be in default under this provision.

8.2 BST Default

BSLD may declare BST in default if:

- (a) BST fails to perform or comply with or violates any material warranty, term, condition or obligation of this Agreement and to cure such failure or violation within sixty (60) days after BSLD provides notice declaring BST's failure or violation and referencing this provision;
- (b) Any material representation, warranty, certification or statement made by BST in this Agreement proves to have been incorrect or misleading in any material respect when made, and BST fails to cure the resulting default within sixty (60) days after BSLD

provides notice declaring BST to be in default under this provision;

(c) Either (A) any license, permit, consent or approval of any governmental body, authority, agency, or instrumentality is revoked, withdrawn, withheld, materially modified or otherwise fails to remain in full force and effect, or (B) a foreign, federal, state or local statute, regulation or order is enacted, adopted or otherwise promulgated, with the result that BST is unable to perform its obligations under this Agreement and

(d) BST does not remedy or negate the effect of the revocation, withdrawal, modification, order, adoption or promulgated within sixty (60) days after BSLD provides notice declaring BST to be in default under this provision.

8.3 Default by Either Party

For the purpose of this Agreement either party to this Agreement shall be in default if such party:

(a) Ceases to do business as a going concern;

(b) Makes a general assignment for the benefit of, or enters into any arrangement with creditors in lieu thereof;

(c) Is unable or admits in writing its inability to pay its debts as they become due;

(d) Is insolvent, bankrupt or the subject of a receivership;

(e) Authorizes, applies for, or consents to the appointment of a trustee or liquidator or all, or a substantial part, of its assets, or has proceedings seeking such appointment commenced against it which are not terminated within ninety (90) days of such commencement;

(f) Files a voluntary petition under any bankruptcy or insolvency law or files a voluntary petition under the reorganization or arrangement provisions of the laws of the United States pertaining to bankruptcy or any similar law of any jurisdiction or has proceedings under any such law instituted against it which are not terminated within sixty (60) days of such commencement; or

(g) Has any substantial part of its property subjected to any levy, seizure, assignment or sale for or by any creditor or governmental agency without such levy, seizure, assignment or sale being released, lifted, reversed or satisfied within ten (10) days.

8.4 Termination by BST

(a) BST, after notice to BSLD, may terminate this Agreement prior to the intended term limit without liability if BSLD defaults as described in Section 8.1 or 8.3 and does not cure the default within the time allowed. In such case, BSLD shall pay BST the reasonable value of this Agreement which shall be defined as the average monthly sales fees billed by BST since the inception of this Agreement multiplied by the remaining months left on the Agreement or any extension thereof. Such amount represents a mutually agreed upon reasonable estimate of the actual damages BST would suffer in the event of BSLD's default.

(b) BST, after notice to BSLD, may terminate this Agreement prior to its intended term limit with liability by paying BSLD an amount representing a reasonable cost of cover not to exceed \$ 250,000 dollars. Such amount represents a mutually agreed upon reasonable estimate of the actual damages BSLD would suffer in the event of

BST's termination.

8.5 Termination by BSLD

(a) BSLD, after notice to BST, may terminate this Agreement without liability if BST defaults as provided in Section 8.2 or 8.3 and does not cure the default in the time allowed. In such case, BST shall pay BSLD as if BST had terminated with liability pursuant to Section 8.4(b).

(b) BSLD's right of termination under this Section, together with such other remedies as are expressly set forth in this Agreement, shall be BSLD's sole and exclusive remedies for the event(s) giving rise to the right to terminate.

(c) BSLD may terminate this Agreement with liability by paying BST the reasonable value of this Agreement, as defined in Section 8.4(a).

9. LIMITATION OF LIABILITY/INDEMNIFICATION

(a) Each party agrees to indemnify and hold harmless the other party and its shareholders, directors, officers, and employees (collectively the "Indemnitees") and each of them from and against any loss, costs, damages, claims, expenses (including attorneys' fees) or liabilities (collectively referred to as "Liabilities") by reason of any injury to or death or disease of any person, damage to or destruction or loss of any property or any other damages arising out of, resulting from, or in connection with (i) the performance or nonperformance of the Services contemplated by this Agreement which is caused in whole or in substantial part by an act, omission, default, or negligence (whether active or passive) of the party or its employees, or regardless of whether the party's liability would otherwise be limited to payments under state worker's compensation or similar laws, or (ii) the failure of the party to comply with any of the terms and conditions herein or the failure to conform to statutes, ordinances, or other regulations or requirements or any governmental authority in connection with the performance of the Services provided for in this Agreement, including actions brought by the party's employees under worker's compensation or similar laws.

(b) Each party further agrees to indemnify and hold harmless the Indemnitees from the other against (i) any and all penalties imposed on account of the violation of any law, ordinance, order, rule, regulation, condition, or requirement, in any way related, directly or indirectly to each party's performance hereunder, compliance with which is left by this Agreement to each party and (ii) any and all claims, liens and/or suits for labor and materials furnished at the party's request.

(c) Each party shall, at its own cost, expense, and risk, defend any claim, suit, action or other legal proceeding (collectively "action") for which that party is hereunder obligated to indemnify an Indemnitee. Subject to the provisions of subparagraph 3. above, the responsible party shall pay and satisfy any judgment or decree which may be rendered against any of the Indemnitees in any such action and shall pay reasonable costs and reasonable attorneys' fees which may be incurred by the Indemnitees in connection therewith and/or in enforcing the indemnification provisions set forth above. Should the responsible party in the opinion of the other party, ignore or fail to properly handle or defend any such action, the other party may, at its option, assume and undertake, or join the handling or defense of any such action, and in that event the responsible party will reimburse the other for reasonable attorneys'

fees and other reasonable expenses incurred by it in handling or defending same, including any reasonable amounts paid in settlement thereof or satisfaction of any judgment rendered.

10. CONFIDENTIALITY

(a) All information disclosed by either party to the other pursuant to this Agreement, other than such information as may be generally available to the public or the industry or as may be intended by such disclosing party to be disclosed by it, or that must be disclosed pursuant to legal requirements, is and will be disclosed in confidence solely for the parties' use in the performance of this Agreement. The parties agree to keep such information ("Information") secret and confidential, and not to disclose it to any other person or use it, during the term of this Agreement or for one year after its termination except in carrying out its obligations hereunder or in response to obligations imposed by federal or state tariffs, or order of a court or regulatory body.

(b) The parties shall take effective precautions, contractual and otherwise, reasonably calculated to prevent unauthorized disclosure or misuse of such Information by any of its employees or by any other person having access to such information.

(c) Within ninety (90) days after the expiration or the termination of this Agreement by either party for any reason, the parties agree promptly to return to each other, or to certify the destruction of, any physical or written records containing such Information then in its possession.

(d) If either party is served with process to obtain such Information, such party shall immediately notify the other party which shall, in addition to the notifying parties' efforts, if any, have the right to seek to quash such process, or to take such other actions necessary to protect the confidentiality of the Information.

11. MISCELLANEOUS

11.1 Assignability

This Agreement is not assignable by either party without the written consent of the other.

11.2 No Right to Market BST Telephone Exchange Services.

BSLD does not seek, and BST is not granting, any authority to market or sell the telephone exchange services of BST.

11.3 Price Includes All BST Functions.

The pricing detailed in Schedule A includes all functions deemed necessary or desirable by BST to perform its collective obligations contained in this Agreement. Such functions include, without limitation, administration functions, support functions, financial functions, legal functions, planning functions and all other direct and miscellaneous functions performed by BST in furtherance of this Agreement.

11.4 Legal Obligations of BST Not Disturbed.

BSLD acknowledges that BST has various obligations to other interexchange carriers and to competitive local exchange carriers under various provisions of law. Nothing in this Agreement is intended to disturb or hinder the performance of BST in furtherance of those obligations. If, at any time, BST believes that

performance of its obligations under this Agreement may affect adversely the performance of other legal obligations, it shall immediately notify BSLD and the parties shall negotiate a compromise, or, if necessary, a termination of all or part of this Agreement to permit BST's continued performance of its other legal obligations.

12. AMENDMENTS

This Agreement or any Schedule may be amended only by written agreement of the parties.

13. ENTIRE AGREEMENT

This Agreement integrates and sets forth the entire understanding and supersedes prior agreements between the parties relating to the subject matter contained herein and merges all prior discussions between them, and neither party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the party to be bound thereby.

**BELLSOUTH
TELECOMMUNICATIONS,
INC.**

**BELLSOUTH
LONG
DISTANCE, INC.**

BY: _____
(Signature)

BY: _____
(Signature)

NAME: _____
(Printed Name)

NAME: _____
(Printed Name)

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

SCHEDULE A MARKETING AND SALES FUNCTIONS

1. SALES AND MARKETING SERVICES

1.1 BST may sell the BSLD Products and Services identified in Schedule B through its service representatives in its business offices, through telemarketing sales representatives, and through its direct and indirect sale forces. Upon written request from BSLD, BST shall inform BSLD in writing of the identification of the third party sales agents BST uses to sell BSLD services.

1.2 BST will handle customer inquiries concerning the following:

- (a) Product and Service Descriptions;
- (b) Product and Service Operations;
- (c) Product and Service Promotional Pricing Plans;
- (d) Rate Information;
- (e) Dialing Instructions;

1.3 BSLD may develop, from time to time, collateral sales tools that will assist BST in selling BSLD's Products and Services by permitting sales personnel to answer customer questions that seek comparison of BSLD services with those of other providers. BSLD

will be solely responsible for the funding and development of any such sales tools, and shall be the sole owner of any intellectual property associated with such tools. BST agrees to make reasonable use of any such tools in furtherance of its sales functions.

1.4 BST will provide mutually agreed upon reports to BSLD sufficient for BSLD to monitor Products and Services sold in the BST sales channels.

2. SERVICE ORDER PROCESSING

2.1 BST will perform the following service order processing functions:

(a) BST will accept customer orders for the BSLD Products and Service through the sales personnel identified in Section 1 of this Schedule;

(b) BST will enter orders for the BSLD Products and Services into its processing system;

(c) BST will conduct such credit check and credit verification services for BSLD as may be deemed necessary, and that is consistent with then existing BST credit policies;

(d) BSLD will have the right to review BST credit policies to ensure that application of such policies is consistent with its business interests;

(e) BST will collect any deposits or prepayments from customers as may be required to meet BST credit policies;

(f) BST will conduct any necessary customer training or education that may be required as part of activating the BSLD customer's account;

(g) BST will provide global card numbers and issue personal identification numbers (PINs) to customers subject to mutually agreeable terms and conditions.

3. METHODS AND PROCEDURES

3.1 The parties may adopt methods and procedures that provide details for the performance of the functions contemplated by this Schedule A. Agreements on methods and procedures shall be reduced to writing and executed in the same manner as an amendment to the Agreement.

4. PRICING

4.1 The price for all functions specified by this Schedule A is as follows:

The proxy price for these services shall be 36.92 % of BSLD's Gross Margin derived by BSLD from sales of the BellSouth Global Card related products and services. For purposes of this Section, the term "Gross Margin" shall be defined as BSLD Revenues realized and derived from the BellSouth Global Card related products and services, less only Cost of Goods Sold. The term "Cost of Goods Sold" shall be defined as the cost to BSLD of the transport and access charge liability owed its international contract carrier.

This price will be applied from the date this Trial Agreement is signed by BST until the date a final price is agreed to by both

parties. The final price will be developed by BST based on a comprehensive business analysis and will represent a "fair market value" that will be deemed by BST to be appropriate for federal regulatory accounting rule compliance. The final price will be communicated to BSLD no later than sixty (60) days prior to the termination of this Trial Agreement, or any extension thereof, this Trial. Thereafter, an evaluation of the billing to BSLD based on the proxy price during the trial period will be accomplished by both parties and, if necessary the cumulative billings will be trued-up based on the final price retroactive to the execution date of this Trial Agreement. BSLD and BST will then negotiate whether and to what extent they wish to pursue any permanent arrangement based on the final rates and charges. Assuming the parties mutually agree to continue the relationship under the final pricing arrangement the parties will alter this Agreement accordingly, and execute a permanent agreement at that time.

5. MISCELLANEOUS

5.1 BST will support adequate End-to-End Testing of the Products and Services to ensure product functionality.

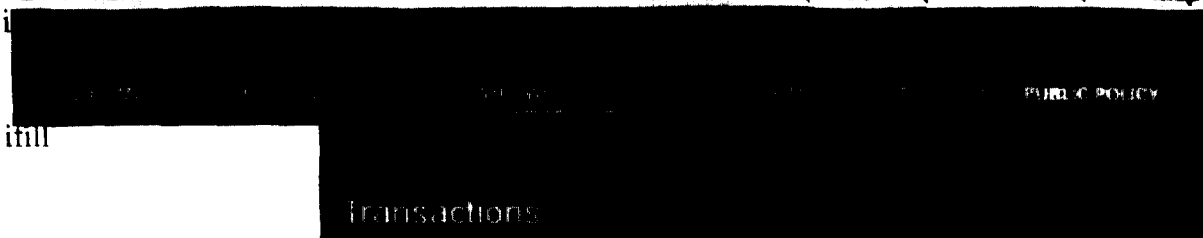
5.2 BST agrees to accept BSLD orders for service and product-specific bill inserts and marketing messages to be included in the BST bill. The inclusion of such messages and inserts will be subject to acceptance and approval by the appropriate BST Customer Operations Unit (COU), subject to BST policy and business practices in effect at the time of the request, and will be subject to additional charges.

SCHEDULE B BSLD PRODUCTS AND SERVICES TO BE MARKETED AND SOLD UNDER THIS AGREEMENT

1. Basic Services: BellSouth Global Calling/Billing Platform Services

2. Products: BellSouth Global Card

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Transactions Between
BellSouth
Telecommunications
Inc. and BellSouth Long
Distance Inc.

Filings and Positions

Workbrief Agreements Regarding AIN Applications

Service: Proprietary Calling Card
 Client: Interconnection Services for BellSouth Long
 Distance
 AVP: Scott Schaefer
 Director: Randy Kincaid
 Francine Pafumy
 BSLD: Bob Gray
 Pat Cowart - (404)249-529-039
 Business: Camilla Thomas-Jackson - (770) 352-3044
 Dev: George Grier - (404)429-3662
 Service
 Concept:

BST

Proj.

Mgr.:

Scope of Work: To work with BellSouth Long Distance (BSLD) to conduct a technical trial of the BSLD Proprietary Card (PCC). The trial will include developing the PCC application, supporting application provisioning through use of an SMS and testing the application through a trial with no more than 300 friendly users for no more than three months.

Success Criteria: • All network and system elements are fully integrated and capable of validating PCCs by 4/1/97.
 • SMS will be able to receive and download PCC information by 4/1/97.
 • Fraud control features working by 4/1/97.

Schedule: Milestones/Deliverables:
 • Decision Package Signed - 11/25/96
 • SPA development complete - 02/03/97
 • Load Beta SPA in MTE SCP - 03/17/97
 • Load final SPA in MTE SCP - 03/31/97
 Cost Estimate: • The total estimated incremental AIN cost for the technical trial is \$467,744. (\$154,098 credited from previous DP).
 • Details of the estimate is located in the Financial section of this document.
 • Total BSLD cost is now \$799,852 from BST (consulting from previous DP at

\$178,013 and \$621,839 for this technical trial. Risks/Contingencies:

- Lucent middleware may not be available in time to complete testing for 4/1/97 service date.
- Lucent middleware may not work on the MTE version of the SCP.
- Services currently scheduled for the MTE during 1Q97 and 2Q97 may be impacted by this effort and vice versa.
- The "intelligence" of the PCC PIN format.
- The ability of Teltrust to provide the functions of the Restricted Number calling feature.
- 0+ originated traffic is not supported by the trial.
- Service measurement needs for the trial.
- Fraud control needs.
- Reporting needs for the trial.
- The Genesys/SMS interface.

Funding The full amount will be billed to BellSouth Long Distance.

Approved: randy Kincaid
Director
Interconnection Services
/d/ 11/25/96

Hamilton Gray
Senior Director
BSLD
/d/ 1/25/96

Brenda Rayburn
Director-Business Development
AIN IBU
/d/ 11/25/96

Francine Pafumy
Senior Director
BSLD
/d/ 11/25/96

WORKBRIEF

Client	BellSouth Long Distance (BSLD)
Service	AIN IBU
Provider:	
Scope of Work:	Provide Research Manager one-half time and two full time equivalent headcount for six months from November 12, 1996 through may 12, 1997 to work with BellSouth Long Distance to provide the stated deliverables. One and half full time employees to be collocated at BSLD offices.

Deliverables: CARD**Work with BSLD:**

- On the production of BSLD's Business Service Description
- To evaluate architectural alternatives to realize the service
- Production of the detailed technical specifications
- Produce project schedule

GENERAL**Work with BSLD:**

- To produce an overall BSLD AIN architecture document by 12/15
- On establishing an overall AIN service delivery approach

Contingencies:

Cost: \$332,111. This full amount will be billed to BellSouth Long Distance.

Funding:

Approved: Francine Pafumy
Senior Director
BSLD
/d/ 11/12/96

Hamilton E. Gray
Senior Director
BSLD
/d/ 11/12/96

Peter Hill
Executive Director
AIN IBU
/d/ 11/12/96

This amendment to the Workbriefs by and between BellSouth Telecommunications, Inc. ("BST") and BellSouth Long Distance, Inc. ("BSLD"), as described below, shall be made and effective as of the 14th day of February, 1997.

The above parties hereby agree that the following changes shall be made to the Workbriefs;

WHEREAS BST and BSLD entered into two Workbriefs, the first Workbrief dated November 12, 1996 was for the development of an AIN architecture including production of detailed technical specifications (Workbrief 1) and the second Workbrief dated November 25, 1996 was to assist in the development of and testing of an AIN network (Workbrief 2); and

WHEREAS the parties desire to limit the obligations of both parties set forth in Workbrief 1 and Workbrief 2;

NOW THEREFORE, in consideration of the mutual covenants set forth below, the parties hereby amend Workbrief 1 and Workbrief 2 as follows:

1. The services set forth in Workbrief 1 shall be limited only to the development of an AIN architecture document and a document

setting forth the evolution of the AIN architecture;

2. The services set forth in Workbrief 2 shall be limited to the initial development of software for a Proprietary Calling Card Service Package Application ("SPA");

3. BST shall perform the work described in paragraphs one and two of this Amendment for the fully distributed costs of said work in the amount of \$80,000;

4. The parties agree that all other obligations of both parties set forth in Workbrief 1 and Workbrief 2 shall be rescinded.

WHEREFORE, the parties have caused that they are duly authorized representatives to execute this amendment.

By:

BellSouth Telecommunications, Inc. BellSouth Long Distance, Inc.

Title

Title

Signature

Signature

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